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* APPENDIX

1. In section III of the paper entitled "The Role of the Director of Personnel," the Inspector General raises two issues which appear to be central to the whole problem. These are:

- a. The division of responsibility for personnel administration among operating officials, the Career Services, and the Director of Personnel.
- b. Centralization of personnel administration as against decentralization.

Once these issues have been resolved, the other questions asked in the paper concerning the role of the Director of Personnel are readily answered.

2. In preparing this response, I have read the regulations pertaining to personnel administration and have talked with the senior Agency personnel officers located here in Washington. I can report that thinking among our personnel officers strongly favors a substantial decentralization of the responsibility for personnel administration to the Career Services. Such decentralization will, in their view, fix responsibility where it can most effectively be exercised; guarantee to our people that their careers are in the hands of informed and responsible officials; provide a framework for sound planning with regard to pay scales and recruitment, in reducing duplication of effort, and make more effective our efforts to evaluate personnel, advance the able, and weed out the ineffective.

3. Clearly, some of these advantages are already evident in our present system of management. There has been a tremendous improvement.

It is my recommendation that we continue to move along these lines, that

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any ambiguity concerning the responsibilities of the heads of Career Services be removed, that the personnel mechanisms of these services be carefully studied and gradually strengthened, and that the Office of Personnel adjust its procedures and practices in such a way as to be in full support of these services.

4. I make this recommendation because I believe that the way to achieve high standards of performance is to encourage each Career Service to establish personnel standards and practices suitable to its operational mission. Furthermore, the Agency has settled down and become sufficiently integrated to permit a healthy degree of independence and non-uniformity on the part of the Career Services.

5. There are, of course, important areas of personnel administration which cannot be decentralized to the Career Services. The Deputy Directors necessarily reserve to themselves certain responsibilities. Wide areas of executive responsibility in the field of personnel management will continue to rest with operating officials who, as executives, will act both in behalf of the Career Services whose people fall under their command and of the Office of Personnel in such matters as employee benefits, travel insurance, record maintenance, and the like.

6. Finally, the Director of Personnel has certain staff responsibilities and performs certain services of common concern which cannot be decentralized. The extent of the staff/line responsibilities of the Director of Personnel and the other implications of the general position set forth above can best be illustrated by following the outline given in section II of the Inspector General's report.

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II Functions of Personnel Administration

A. Policy Making

1. It is our position that personnel policy should be developed for the individual Career Services and for the Agency as a whole. Agency policy will be overriding but should not be developed in such detail as to restrict the creation of policies by the Career Services that are unique and necessary to each service.

2. The Deputy Directors are fully responsible for development of policies for the Career Services under their control. The Director of Personnel's responsibility to the Deputy Directors and to the Career Services concerned is that of providing staff advice and staff support. It is our belief that a great improvement in Agency personnel management can be made by providing staff advice in the fields of grade level, promotion policies, procedures for the elimination of ineffective personnel, screening of new personnel at the end of their first year and at the time of their entrance into the Career Staff, and the like. ^{the D/Pers} He should also review the policies developed by the individual Career Services, and bring to the attention of the CIA Career Council any indications he may receive that individual Career Service is deviating from over-all Agency policy.

3. It is proposed that suggested changes in Agency policy be referred to the Director of Personnel for staff ~~only~~ study before they are presented to the CIA Career Council and that the CIA Career Council continue to act as the principal Agency policy board in matters pertaining to personnel administration.

B. Hiring

1. It is proposed that the Office of Personnel do all of the hiring for the Agency as a service of common concern. It will be the responsibility of the individual Career Services to define needs and to render such professional assistance to the recruitment staff of the Office of Personnel as may be required. The Office of Personnel will arrange for assignment of intelligence officers to this effort.

2. The Director of Personnel shall be made specifically responsible for seeing that Agency standards are met by all Career Services.

3. A regulation on the subject of recruitment and screening of personnel is needed and is in the process of being drafted. This regulation will propose that hiring be based on anticipated needs rather than on position vacancies and will establish adequate mechanisms for the screening of incoming personnel.

C. Assignment and Reassignment

1. The Office of Personnel should assign all new employees, with the exception of Junior Officer Trainees, to the appropriate Career Service. The suggestion made by the Inspector General that the Career Service be authorized to return unsatisfactory employees at the conclusion of three months has great merit and will be the subject of our immediate attention.

2. The Office of Personnel has taken the following actions which will indicate the direction of our thinking with regard to the problem of reassignment:

- a. Drafting of an Agency regulation which sets forth the procedures to be followed by an individual desiring reassignment.
- b. Proposal to the Career Council that a special assignment committee be established.
- c. Proposal to the Deputy Director (Plans) that certain procedures be worked out to handle the assignment of personnel returning from the field.

3. In addition to these measures, it is the intent of the Director of Personnel to work with the Deputy Directors and the heads of Career Services in an effort to eliminate the malpractice of "shopping."

D. Promotion, Discipline, and Discharge

1. It is believed that the competitive promotion system introduced by Regulation [REDACTED] is completely sound. Regulations pertaining to discipline and discharge are sound insofar as they recognize and protect the rights, privileges, and benefits of the employee. The role of the Director of Personnel in these matters is accurately set forth in these regulations. It is believed, however, that the Agency's mechanisms designed to identify unqualified personnel and arrange for their release must be sharpened very considerably. The full responsibility for such action should initially rest with the Career Services. Procedures pertaining to the selection of personnel for the Agency's Career Staff should be changed to emphasize this responsibility and to relieve the selection panels of much of their present "pick and shovel" work.

E. Wage Classification

1. The Director of Personnel should continue to have the sole responsibility for establishing fair compensation rates. With the development of the Career Service staffing authorization, however, and the provision of detailed information to the heads of Career Services concerning the distribution of grades, rates of promotion, available spaces for promotion, the initial responsibility for the control of grade levels within each Career Service will rest with the head of the Service. The Director of Personnel, by cooperating with the heads of Career Services can greatly assist them in the development of sound personnel practices and the avoidance of top-heavy and inefficient staffing structures.

F. Management Development

1. The Director of Personnel, working with the heads of Career Services, will undertake to develop an informal roster of promising officers and to arrange for their formal and on-the-job training in the interests of management development. The authority necessary to carry out this program has been granted the Director of Personnel as chairman of the Special Placement Committee.

G. Training

1. The heads of Career Services should assume principal responsibility for training and cultivation of personnel under their control. The Director of Personnel, working ^{with} the Director of Training,

should intervene only when the reasonable prospects of an individual appear to be in jeopardy as a result of the policies of a given Career Service or when a Career Service fails to meet Agency training standards.

H. NoComment

I. No Comment